

**Business Enterprise Program Council for Minorities,
Females, and Persons with Disabilities Meeting**

MEETING MINUTES

**Monthly Council Meeting
Location: Video Conference Room 2-025
James R. Thompson Center
100 W. Randolph Street, Chicago, Illinois**

Monday, June 28, 2010 1:00 p.m.

COUNCIL MEMBERS IN ATTENDANCE

Curtis Thompson
Jesse Martinez
Lourdes Coss
Florence Cox
Phillip Barreda
Raymond Arias
Larry Ivory
Alesia Hawkins
Lynne Turner

COUNCIL MEMBERS NOT IN ATTENDANCE

Hedy Ratner
Michael Gonzalez
Letitia Herrera
Lawrence Parrish
Beth Doria

COUNCIL CHAIRMAN

James P. Sledge, CMS/ Director

ACTING COUNCIL SECRETARY

Elias Ricks Ngwayah II, CMS/BEP

CMS STAFF IN ATTENDANCE

Philina King, CMS/BEP Legal Counsel
Nadine Lacombe, CMS General Counsel
Agueda Corona, Disparity Study Manager
Yvette Riley, CMS/BEP
Gladys Rodriquez, CMS/BEP
Rachel Y. Barksdale Little
Susan Hartman, CMS/BOSSAP

AGENDA

- 1.0 CALL TO ORDER
- 2.0 ROLL CALL
- 3.0 APPROVAL OF THE MINUTES OF THE REGULAR COUNCIL MEETING HELD
ON May 24, 2010

4.0 CHAIR'S REPORT

5.0 POSTED BUSINESS

5.1 Disparity Study Oversight Committee Representative – Agueda Corona

6.0 UNFINISHED BUSINESS

6.1 Committee Updates

- A. Exemption/Compliance Committee
- B. Bonding Committee
- C. Professional Services

7.0 NEW BUSINESS

8.0 ADJOURNMENT

CALLED TO ORDER

Elias Ricks Ngwayah II, Acting Business Enterprise Council Secretary, called the Business Enterprise Program Council meeting to order at 1:11 PM.

Elias Ricks Ngwayah II, Acting Business Enterprise Council Secretary, took roll call.

MINUTES OF COUNCIL MEETING OF May 24, 2010

The minutes of the Council meeting held May 24th were amended at the request of Florence Cox and motioned for approval by Florence Cox and seconded by Curtis Thompson. The amended minutes were approved without opposition or abstentions.

2010 COUNCIL MEETINGS

The upcoming BEP Council meetings will be scheduled for the fourth Monday of each month, from 1:00 PM. to 3:00 PM.

The Council meeting calendar for 2010 is as follows:

26th July 2010 – JRTC, Room 2-025
23rd August 2010 – JRTC, Room 2-025
27th September 2010 – JRTC, Room 2-025
25th October 2010 – JRTC, Room 2-025
22nd November 2010 – JRTC, Room 2-025
27th December 2010 – JRTC, Room 2-025

POSTED BUSINESS

Elias Ricks Ngwayah II, Acting Business Enterprise Council Secretary called for presentations:

Presentation by Agueda Corona:

Agueda Corona reported on the disparity study oversight committee meeting.

Updates are as follows:

- Ms. Corona reported oversight committee continues to request data from agencies.
- BEP Council members were present at the last oversight committee meeting.
- Senate Bill 2802 extends the Business Enterprise Act to year 2012, effective June 25, 2010.
- Ms. Corona gave special thanks to Member Phillip Barreda for working with the oversight committee on survey data.

Note: That Philina King advised Council members' that in October 2010 the Illinois Department of Central Management Services has to submit a report on the disparity study to the General Assembly.

Agueda Corona yields floor to Member Phillip Barreda and Member Florence Cox to report on their experience at the oversight committee meeting.

Member Phillip Barreda:

Member Phillip Barreda from the Chicago Minority Supplier Development Council (CMSDC) discussed with Mason Tillman about developing a format to send out to their constituents. CMSDC drafted a letter to encourage responses.

CMSDC has approximately 1,100 companies not active in the survey. Mr. Barreda urged their constituents to send survey responses to Mason Tillman and they will track the responses.

Member Florence Cox:

Member Florence Cox reported that members from her organization sent information to Mason Tillman and also forwarded Ms. Cox a copy of their responses. In the oversight committee meeting, there was discussion surrounding groups that refuse to provide their membership lists and why there are only sixty-five people selected for interview for the anecdotal portion of the study.

Susan Hartman, CMS/BOSSAP:

Ms. Hartman provided a detail overview of the State of Illinois system capability and system changes. Ms. Hartman advised that she is in the process of collecting responses to send to Mason Tillman. Thus far, Mason Tillman received information on eighteen (18) out of the twenty-one (21) state agencies involved in the Study.

Proposed system changes:

- State Comptroller Office will add a contract field to all obligations. The new field will replace the column labeled "obligation."
- Establish contract database to manage contracts filed by state agencies. CMS will send electronic contract information over to the Comptroller's Office.
 - New systems will pickup commodities, equipment and larger contracts.
 - Current system cannot tie vendor payments back to contract numbers.

Noted: That Mason Tillman requested information in a certain format. Ms. Hartman advised Mason Tillman that the current state system is not integrated to gather all the information from one centralized location. CMS staff will work with Mason Tillman to compile data required for the disparity study and ensure data collection is accurate.

UNFINISHED BUSINESS

Chair James Sledge called for committee updates.

A. Exemption/Compliance Committee

Raymond Arias reported on the exemption/compliance committee.

On June 15, 2010, the exemption/compliance committee met to review denied exemption requests. Agency Directors and University Presidents were asked to appear before the exemption/compliance committee to discuss each request. The committee arranged video conference capability for representatives that were not able to appear in-person.

Results and outcome of exemption/compliance meeting are as follows:

- Committee allowed testimony from each agency/university representative.
- Committee discussed and voted on each denial exemption request.
- Committee identified agencies or universities that accepted denied exemptions.
- Committee gained insight and knowledge re: Business Enterprise Program compliance plan exemption process.

Subcommittee member's Phillip Barreda and Larry Ivory reported the following:

- State agencies and State universities are more aware of the exemption approval process and the role and responsibility of the exemption/compliance committee.
- Exemptions will be scrutinized more closely by the committee.
- There are 691 CMS Master Contracts; twenty-eight (28) include BEP goals. CMS reported most of the master contracts were informal bids (IFB's).
- Exemption/compliance committee reported they were unable to provide a quantitative analysis for Sole Source Contracts and CMS Master Contracts.
- Committee will need significant education to understand CMS procurement process.

Chair James Sledge allowed open floor discussion on procurement.

Member Jesse Martinez from the Illinois Capital Development Board shared with Council members' his agency procedures for MBE/FBE subcontractor/supplier inclusion and good faith documentation checklist. Mr. Martinez explained that the good faith documentation checklist measures every bidder by the same rule. Good faith steps determine bidders' ability to meet the specified goal required by the program.

Mr. Martinez noted his agency continues to conduct outreach workshops to educate the contract construction industry on new laws and procedures i.e. Public Act Public Act 96-706 (SB 351).

Key points of discussion and conclusions are as follows:

- Contract bid disqualifiers
- Understand BEP goals permissible under the BEP Act

- Understand BEP goals vs. good faith efforts

Noted: That Council members can access at the Illinois Capital Development Board website the Procedure for MBE/FBE Subcontractor/Supplier Inclusion and Good Faith Documentation Checklist and Public Act Public Act 96-706 (SB 351).

<http://www.cdb.state.il.us>

B. Bonding Committee - No Report

C. Professional Services Committee – No Report

NEW BUSINESS

Chair James Sledge called for new business.

Upcoming Committee Meetings:

- BEP Acting Council Secretary Elias Ricks Ngwayah II reported that Beth Doria is the lead chairman for the new policy enforcement committee and will hold her first meeting the week of July 19. Mr. Ngwayah advised members interested in participating on the subcommittee should contact him or Beth Doria.

Committee List:

- Philina King asked committee lead chairman's to update their subcommittee member list and make available to other Council members' by next month meeting.

Members' concerns:

- Member Jessie Martinez, Member Larry Ivory and Member Florence Cox discussed briefly the difficulty and challenges vendors encounter when their companies graduate the gross sales cap from minority business enterprise programs.

Member Lourdes Coss and Member Phillip Barreda noted that come July 1 the gross sales cap will increase to \$75 million over one (1) year period. Vendors will be able to re-enter Program.

- Philina King noted larger firms are able to be certified and become prime contractors on larger contracts.

Next Steps:

- Next meeting is scheduled for Monday, July 26, 2010, James R Thompson Center, 100 W Randolph Street, Room 2-025, 1:00 PM to 3:00 PM.
- Committees lead chairpersons to update their subcommittee members list and make them available to other Council members by next month meeting.

Meeting Adjourned at 2:03 PM